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# Promoting the creative economy

Fikri Zul Fahmi, Groningen, The Netherlands | Opinion | Tue, July 08 2014, 10:29 AM

Indonesia has wanted to promote its creative economy since President Susilo Bambang Yudhoyono issued Presidential Instruction No.6/2009 and formed the Tourism and Creative Economy Ministry in 2011.

Considering the country has enormous cultural potential that is spread across more than 1,300 ethnicities, the government is confident that Indonesia can be competitive enough in the global market for creative products.

Furthermore, during the presidential debate on June 15, we heard that both candidates would continue to promote creative economy development over the next five years if elected.

The creative economy story began in Bandung, where young people, mostly educated, introduced a new style of entrepreneurial activities in the late 2000s by utilizing individual creativity, or “making money from ideas”. Since then, the so-called creative industries have continued to grow in the city, especially design, indie music, as well as clothing factories and distribution outlets known as distro.

They offer stunning fashion and music products, with quality comparable to international products. These activities indeed enrich the image of Bandung, which is gradually becoming known as a “creative city”. This creativity boom was also recognized internationally, after the Yokohama meeting in 2007 picked Bandung as one of its creative city pilot projects in East Asia.

The Bandung story then became an inspiration for the national government and local governments to adopt the idea as a tool for economic development. The national government has attempted to encourage local governments to replicate the success of Bandung.

Of course, local governments are also interested in the idea, as it could be a new alternative to enhancing regional competitiveness. Yet, the policy direction in promoting these industries at city and regency levels is still unclear, whereas creative industries grow at a very local level — within specific places or in clusters within cities. The creative economy should not only become a national narrative, but should also be integrated into local policies. Thus, local governments need to thoroughly determine strategies for promoting these industries.

To kickoff, creative city pilot projects were designed for Yogyakarta and Surakarta. Through these projects the ministry helps the cities to highlight and promote their creative economy potential. While the development of creative industries in Bandung appeared as a bottom-up initiative from the creative community, these pilot projects were rather a top-down policy, which is basically the rebranding of the Bandung policy narrative.

There are clear differences between Bandung and other cities. While creative industries in Bandung mostly work based on pop culture and current trends, the local governments of Surakarta and Yogyakarta tend to focus on batik, traditional crafts and performing arts, which have existed for a long time.

Nevertheless, this is not to say that batik and other cultural industries are not creative. These cultural products indeed still hold great interest for the global market and tourists. Foreign tourists continue to be dazzled by the complex motifs of batik, carving and webbing. This also reflects the extent of cultural diversity in Indonesia. Yet, the nature of intellectual property and innovation in these cultural industries is different compared to the same aspects of other creative industries such as that in Bandung.

According to the government's concept, creative industries should also be linked with tourism. Creative products are expected to add to the value of tourist attractions. This reflects a duality of goals. On the one hand, the government wants to build the future economy by encouraging emerging entrepreneurial activities, which involve young spirit and talent.

On the other hand, the creative economy is used to preserve cultural values, which can also be economically valuable. The existing traditional cultural industries are "transformed" and rebranded as creative industries. However, the development focus of creative economies then becomes unclear. Which creative economy do we really want to develop?

Anyway, this interpretation is actually reasonable since the term of creative industries is vague in itself. Indonesia's definition of creative industries is strongly influenced by the British concept, as there is quite a strong bilateral cooperation between the two countries in the field of creative economy. Even in the UK, creative industries include a wide range of content and copyright industries, as well as cultural-based industries — although nowadays crafts and antique products are excluded from the list of creative industries in the UK.

However, policy mechanisms for supporting contemporary creative industries are different to those for traditional cultural industries. To date, the government still uses the same style in stimulating both types. Promoting creative industries needs not only the conventional way of delivering subsidies, but also, and more importantly, encouraging creativity and innovation.

First, it should be noted that not every city or regency must promote a creative economy. The idea might be not applicable to all regions. Localities should have enough potential and agglomerative externalities to develop creative economy policy.

Second, innovation should be encouraged within creative industries by also nurturing the competitive climate among them. These activities should be grown organically, whereby those entrepreneurs look for novel ideas through face-to-face contacts, mutual learning and competition with each other.

A competitive climate is necessary to generate motivation in those industries to engender novel, valuable ideas. This process happens serendipitously and in an informal way. If we want to support creative industries, we need to stimulate such conditions.

To do so, it is important to facilitate self-help mechanisms through which creative entrepreneurs can develop their own activity systems. In many situations, the informal environment can be nurtured through "co-working spaces" where creative entrepreneurs can meet, share and learn from each other. These spaces can also function as a temporary workplace, especially for those newly established businesses that still cannot afford their own offices.

Meanwhile, the direction of the development of traditional cultural industries is different. Transforming them into creative industries would be challenging, as they have different development trajectories. The transformation might not be really necessary if cultural products are intended only to be a tourism commodity, as tourists are only interested in exotic products.

Rather, it would be preferable to consider developing creative industries in which inspiration comes from cultural values. There has been an attempt at this, as we can see in clothing products, games, music and films. This indeed should be encouraged more. In this respect, local cultural values can be packaged in a modern way, and thus be introduced to the global market at a higher value.

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